



T E X A S ☆ T I M E S

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UNITED STATES SENATOR • TEXAS

Protecting Our Coast While Increasing Energy Supply

By U.S. Sen. John Cornyn

Gasoline prices are again hitting an historic high this summer. The combination of a strong economy, high worldwide energy demand, conflict in the Middle East and a basic shortfall in supply directly translates into a real problem for all of us.

Earlier this month, corrosion in an aging Alaska feeder pipeline that carries about eight percent of U.S. oil production forced British Petroleum to shut it down temporarily. This new setback caused another spike in world crude oil prices and threatened to send the cost of a gallon of gas even higher.

What is Congress doing about the problem? We're pushing ahead in developing alternative sources of clean energy from solar and wind power. We're researching new ways to make coal, gas and nuclear energy safer and environmentally friendly.

But in the near-term, it's obvious America must concentrate on increasing its own supply of traditional fuels. Congress can do many things, but it can't repeal the law of supply and demand. As we expand our domestic energy supplies, we have to ensure that the quality of life, in Texas and elsewhere, is fully protected.

We took a major step forward on all counts recently when the Senate, in a strong show of bipartisanship, approved a measure to allow increased energy production on offshore federal lands in the Gulf.

The Gulf of Mexico Energy Security Act of 2006 will allow the energy industry access to more than 8.3 million acres in a region south of the Alabama-Florida state line in the eastern and central Gulf waters. It will make available more than 1.25 billion barrels of oil and 5.8 trillion cubic feet of natural gas.

That is more than the proven oil reserves of Wyoming and Oklahoma combined. The natural gas supply would be enough to heat and cool nearly six million homes for 15 years.

The House of Representatives has passed an even more expansive version of the bill. It appears most members of Congress agree that America must expand production of its domestic reserves. The two versions will be reconciled in a conference committee in September.

One significant provision in the Senate bill divides 37.5 percent of royalties from new production among four Gulf states—Texas, Louisiana, Mississippi, and Alabama—to fund coastal protections and safeguards. This is a huge increase over current state offshore royalty sharing, which averages around two percent.

An additional 12.5 percent of those federal royalties will be directed to the Land and Water Conservation Fund, which provides conservation grants to all states. The sum total will mean hundreds of millions of additional dollars for environmental protection.

The bill calls for Gulf states to use the royalties to support increased efforts to conserve critical coastal habitats and wetlands and to shore up infrastructure and public service needs along their coasts. It complements a provision in the 2005 federal energy bill, the Coastal Impact Assistance Program, which includes funding for a comprehensive strategy to protect marine species, coastal wildlife and conservation efforts.

The Texas General Land Office [GLO] will lead the effort to direct use of the federal royalties in Texas. Its roadmap is the "Coastal 2020" plan, a thoughtful blueprint for addressing the impact of many activities—natural and manmade—on our Texas coastline.

One ongoing problem to be addressed with the new funds will be coastal erosion, caused by numerous factors including sediment loss, changes in freshwater inflows, ship wakes, and storms, to name a few. Unless dealt with, erosion can cause the loss of homes and even roads, such as the 26 miles of State Highway 87, which once connected Galveston to the Sabine Pass. Erosion also exposes key economic assets, including our massive refining facilities, to storm-surge damage.

One-fourth of our entire state population lives along the Texas coast. Tourists spend more than \$7.5 billion annually visiting that area. Three of the top 10 ports in America are on the Texas coast, with more than 66 million short tons of cargo moving along the Texas coast each year.

The Texas coast is vital to the economy of both the state and the nation. It must be protected. I'm confident that these increased federal energy royalties can help finance permanent safeguards against natural and man-made threats to our coastal environment.

Energy is fundamental to our quality of life and economy in Texas and America. So too is the preservation of our cherished coastal lands and habitats. Through responsible stewardship, we can fulfill our responsibility in both areas—increasing domestic energy supplies without harming our glorious Texas coastline.

Sen. Cornyn is a member of the following Senate Committees: Armed Services, Judiciary, Budget, Small Business and Entrepreneurship, and Joint Economic. He is the chairman of the subcommittees on Immigration, Border Security and Citizenship and Emerging Threats and Capabilities. Cornyn served previously as Texas Attorney General, Texas Supreme Court Justice and Bexar County District Judge.

For Sen. Cornyn's previous Texas Times columns: www.cornyn.senate.gov/column